

2.0 First Meeting of Creditors

We are required under the Corporations Act to convene a meeting of creditors that will be held at the time and place shown on the notice of meeting attached at **Annexure “A”**. Attendance at this meeting is not compulsory. **In order to enable the timely commencement of proceedings at this meeting, we ask that creditors arrive at least 30 minutes prior to the meeting.** The main purpose of the meeting is:-

- to determine whether to form a committee of creditors;
- receive a report from us regarding the company's financial position, and the reasons for our appointment; and
- to consider the appointment of an alternate administrator.

Creditors wishing to attend this meeting and vote should make sure they complete and return to our office the attached proof of debt. Creditors not wishing to attend the meeting or company creditors whose directors, agents or employees are attending the meeting should ensure that the attached proxy form is completed and returned to us.

The proof of debt and proxy form should be lodged with the Administrators no later than 4pm on 22 July 2009. Forms can be sent by facsimile on (08) 8212 3144, mailed to this office or scanned and emailed to info@heardphillips.com.au.

3.0 Declarations of Independence, Relevant Relationships and Indemnities

Pursuant to Section 436DA of the Corporations Act and the IPA Code of Professional Practice, an Administrator is to disclose relevant details of relationships with parties that may impact on independence.

Attached in **Annexure “B”** is our Declaration of Independence, Relevant Relationships and Indemnities.

4.0 Professional Fees

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:-

a. Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

b. Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

c. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

d. Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Given the nature of this administration, we propose that our remuneration be calculated on time based/hourly rates as it is our view that it is the most transparent and fair method of calculating our professional fees.

As we propose our remuneration to be calculated and fixed on the basis of time spent by us and our staff attending to the administration of the company, we set out in **Annexure "C"** our scale of rates for our remuneration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Given our recent appointment it is not possible to determine the level of professional fees with a high level of accuracy. Based on presently available information, we expect the cost of the voluntary administrators' fees will be between \$30,000 and \$45,000 plus GST.

A detailed remuneration report summarising all work performed during the voluntary administration will be provided to creditors prior to the second creditors' meeting. Only when the company's creditors or the Court approve our remuneration claim can it be paid.

5.0 Further Creditors' Meeting

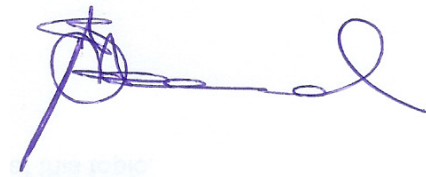
A second meeting of creditors will be held on or around 14 August 2009. Prior to this meeting, creditors will receive a detailed report on the property, affairs and financial circumstances of the company. At this meeting, creditors will also vote on the future of the company which may include liquidation, executing a deed of company arrangement or returning the control of the company back to the director.

6.0 ASIC Information Statement

The IPA/ASIC have published information statements on the ASIC web site www.asic.gov.au that may be useful to creditors. We attach at **Annexure "D"** a summary sheet for your information.

For further information please feel free to contact Carla Carbone or Tina King at this office.

Dated this 15th day of July 2009



Andrew Heard & Anthony Phillips
Joint & Several Administrators

Encl

FORM 529A

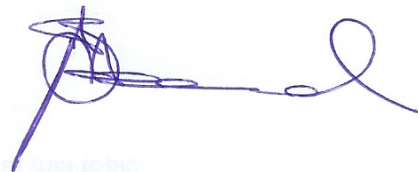
Corporations Act 2001
Sub-regulation 5.6.12(6)

**NOTICE OF APPOINTMENT OF ADMINISTRATORS AND FIRST MEETING OF
CREDITORS OF COMPANY**

**Starrs & Co Pty Limited
(Receivers and Managers Appointed)(Administrators Appointed)
ACN 057 365 090
Trading as "Truscotts and Casual Living"**

1. On 13 July 2009 Andrew Heard and Anthony Phillips of Heard Phillips, Chartered Accountants, Level 2, 45 Grenfell Street, Adelaide were appointed Joint and Several Administrators of the company under section 436C of the Corporations Act 2001.
2. Notice is now given that a meeting of the creditors of the company will be held at Enterprise House, 136 Greenhill Road, Unley on 23 July 2009. Registration for all creditors will open at 1.00pm with the meeting commencing at 2.00 pm.
3. The purpose of the meeting is to determine:
 - (a) whether to appoint a committee of creditors; and
 - (b) if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) remove the administrators from office; and
 - (b) appoint someone else as administrator of the company.

DATED this 15th day of July 2009



Andrew Heard & Anthony Phillips
Joint & Several Administrators

Heard Phillips, Chartered Accountants
Phone (08) 8212 3433
www.heardphillips.com.au

**Corporations Act 2001
Section 436DA(2)**

**Starrs & Co Pty Limited
(Receivers and Managers Appointed)(Administrators Appointed)
ACN 057 365 090 (“the Company”)**

Declaration of Independence, Relevant Relationships and Indemnities**Independence**

We, Andrew James Heard and Anthony John Arthur Phillips, undertook a proper assessment of the risks to our independence prior to accepting appointment as joint and several administrators of the Company. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from continuing to act as administrators of this company.

Relevant Relationships

Subject to the disclosures set out below, neither ourselves or our firm have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially the whole of the Company’s property.

Disclosure

Name of Party	Nature of Relationship	Reason why not an impediment or conflict
Commonwealth Bank of Australia	Service provider for general advice from time to time	No relationship has been identified that would impede our independence

Prior Engagements with the Insolvent

Neither ourselves or our firm have undertaken any prior engagements for the Company.


There are no other prior professional relationships or engagements that should be disclosed.

Indemnities

We are to be provided with an indemnity by Retravisio (WA) Limited up to the capped sum of \$30,000 in respect of remuneration and reasonable outlays and expenses to conduct this matter.

This does not include statutory indemnities.

Dated this 15th day of July 2009



Andrew Heard & Anthony Phillips
Joint & Several Administrators

Note: If circumstances change, or new information is identified, we are required under the IPA Code of Professional Conduct to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.

Schedule of Fees

This scale of fees is effective for assignments from 1 July 2009 to 30 June 2010

Title	Description	Hourly Rates (GST Exclusive)
Director/Appointee	Director in firm or Registered or Official Liquidator, bringing his or her specialist skills to the insolvency administration.	275.00
Manager	6-7 years experience, qualified accountant, with well-developed technical and commercial skills.	190.00
Supervisor	4-6 years experience, CA Program completed. Will have had conduct of minor administrations and experience in management of staff. Assists planning and control of medium to larger jobs.	180.00
Senior	2 -4 years experience. CA Program (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	170.00
Intermediate	0 – 2 years experience. Graduate with little or no professional experience. Required to assist in day-to-day fieldwork under supervision of more senior staff.	150.00
Intermediate 2	Experienced bookkeeper or trainee undertaking a degree with an accountancy major. Required to assist in day-to-day fieldwork under supervision of more senior staff.	130.00
Secretary/ WPO	Appropriate skills including machine usage. Required to assist with typing, couriers, faxing and ASIC document lodgement under supervision of more senior staff	110.00
Junior	Non-qualified person with appropriate skills. Required to assist with secretarial matters, filing, rounds, banking, account openings etc. under supervision of more senior staff.	90.00



Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 Insolvency: a glossary of terms
- INFO 74 Voluntary administration: a guide for creditors
- INFO 75 Voluntary administration: a guide for employees
- INFO 45 Liquidation: a guide for creditors
- INFO 46 Liquidation: a guide for employees
- INFO 54 Receivership: a guide for creditors
- INFO 55 Receivership: a guide for employees
- INFO 43 Insolvency: a guide for shareholders
- INFO 43 Insolvency: a guide for directors
- INFO 84 Independence of external administrators: a guide for creditors
- INFO 85 Approving fees: a guide for creditors

Getting copies of the information sheets

- To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.